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FISCAL IMPACT STATEMENT

LS 6419

BILL NUMBER: SB 113

NOTE PREPARED: Dec 10, 2009

BILL AMENDED:

SUBJECT: Indiana State Dairy Association License Plates.

FIRST AUTHOR: Sen. Landske

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill establishes the Indiana State Dairy Association Trust License Plate and the Indiana State Dairy Association Trust Fund. It specifies that \$25 from the proceeds from the sale of an Indiana State Dairy Association Trust License Plate shall be distributed to the Indiana State Dairy Association, Inc.

Effective Date: July 1, 2010.

Explanation of State Expenditures: PEN PRODUCTS, the manufacturing arm of prison-made products, will charge the Bureau of Motor Vehicles (BMV) \$3.69 per plate if the plate is a multi-color plate, \$3.19 per plate for a truck plate and other one-color plates, or \$3.55 for a standard plate. The funds affected are the PEN PRODUCTS Revolving Fund and the Motor Vehicle Highway Account (MVHA), which supports the BMV.

Explanation of State Revenues: Summary: The proposal establishes a \$25 annual fee for the Indiana State Dairy Association Trust License Plate. The money from the sale of the plate is to be deposited in the Indiana State Dairy Association Trust Fund. In addition, there is a \$15 administrative fee to be paid by the purchaser.

Money in the Trust Fund is continuously appropriated. The Commissioner of the BMV is to administer the fund. And expenses of administering the fund are to be paid from the fund. On June 30 of each year, the Commissioner of the BMV is to distribute money in the fund to the Indiana State Dairy Association, Inc. Money at the end of the state fiscal year does not revert to the state General Fund.

It is not known how much revenue will be generated by the new license plate. However, for the last three calendar years, the highest selling specialty plate averaged about 54,000 plates, while the lowest selling

specialty plate averaged about 67 plates. Based on these data, it is likely that the new plate will fall somewhere within that range. Revenue from the \$25 fee would range between and \$1,675 and \$1,350,000

Revenue from the \$15 administrative fee is split between three funds: (1) the Motor Vehicle Highway Account; (2) the Crossroads 2000; and (3) the Bureau of Motor Vehicles Commission (BMVC). The table below shows the minimum and maximum revenue for the affected funds based on the above plate sales.

Plate Sales	MVHA (\$5)	CROSSROADS 2000 (\$1)	BMVC (\$9)	Total (\$15)
67	\$335	\$67	\$603	\$1,005
54,000	\$270,000	\$54,000	\$486,000	\$810,000

Background Information-

Uses of the three funds include the following.

MVHA

- (1) Construction, reconstruction, and maintenance
- (2) Purchase of rental and repair of highway equipment
- (3) Painting of bridges
- (4) Land acquisition
- (5) Construction of storage buildings

CROSSROADS 2000

- (1) Highway bonding projects

BMVC

- (1) Operation of license branches throughout the state

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: BMV; Department of Correction (PEN PRODUCTS).

Local Agencies Affected: Those units which receive distributions from the MVHA.

Information Sources: Mark Spratt, Controller, PEN Products, 317 388-8580 x 242; Mark Hasiak, Manager of Policy and Legislative Affairs, BMV, 317-233-3396; Specialty license plate data for CY 2007, CY 2008, and CY 2009.

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